BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE INVESTIGATION CONCERNING U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH SECTION 271(c) OF THE TELECOMMUNICATIONS ACT OF 1996	))))))	APPLICATION NO. C-1830

SUPPLEMENTAL DIRECT TESTIMONY OF

ROBERT H. BRIGHAM

U S WEST, INC.

August 6, 1999

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EXECUTIVE SUMMARY

A. Purpose of Testimony

The purpose of my supplemental direct testimony is to demonstrate that U S WEST has fulfilled the requirements set forth in Section 271(c)(2)(B) of the Telecommunications Act of 1996 ("The Act") with regards to checklist items 4 (local loop), 5 (transport) and 6 (switching). In its Order in Application C-1830, entered April 9, 1999, the Commission determined that U S WEST had "not demonstrated that it complies with (checklist) items 1, 2, 4, 5 and 6." The Commission provided a description of the additional evidence that U S WEST would need to present in order to demonstrate that it has fully satisfied the Section 271 criteria in Nebraska. In this testimony, I provide the additional evidence requested by the Commission, and demonstrate that U S WEST is now in compliance with the requirements of checklist items 4, 5 and 6. Today, in Nebraska, a CLEC can purchase unbundled loops, switching and transport from U S WEST in a manner that provides the CLEC with a meaningful opportunity to compete.

B. The SGAT

On July 29, 1999, U S WEST filed an Statement Of Generally Available Terms And Conditions (SGAT) pursuant to section 252(f) of the Act. The SGAT fulfills U S WEST's concrete and specific legal obligation to furnish unbundled loops, transport, and switching.

C. Checklist Item 4 – Unbundled Loops

Commission Issues

In its April 9, 1999 Order in this proceeding, the Commission essentially determined that U S WEST had not met the requirements of this checklist item because it had not demonstrated that it was providing unbundled loops to CLECs in a timely fashion. The Commission also stated that U S WEST's "SPOT Frame" proposal was inadequate, because it did not account for the provision by U S WEST of *already combined* elements in accordance with Rule 51.315(b), as reinstated by the United States Supreme Court.

U S WEST is Provided Unbundled Loops in Nebraska

My testimony demonstrates that U S WEST is currently providing unbundled loops in Nebraska, and now has over 1,300 unbundled loops in service. These numbers alone constitute powerful evidence that U S WEST is providing CLECs with nondiscriminatory access to unbundled loops in Nebraska today.

Unbundled Loop Provisioning

Exhibit RHB-1 contains a flowchart that delineates the tasks performed by U S WEST personnel in order to install an unbundled loop.

As noted by this Commission and the FCC, there is no retail analogue for the unbundled loop. U S WEST does not provide unbundled loops to its retail customers or to itself. When U S WEST provides basic exchange service, the loop is not "unbundled" from the other components of the service.

The provisioning flow for an unbundled loop is not the same as the provisioning flow for U S WEST's retail services, such as basic exchange service. First, an unbundled loop must be provisioned using a "designed" service process, rather than a so-called "POTS" flow. Second, in contrast to basic exchange service, when an unbundled loop is provisioned, a central office technician must always run a jumper to connect the unbundled loop to the CLEC.

Since the unbundled loop and basic exchange service are different services that are necessarily provisioned in a different manner, *the Commission should not expect the standard installation interval to be the same for unbundled loops and basic exchange service.* The FCC acknowledged this point in the Bell South 271 Order in Louisiana, where it *did not* establish that basic exchange and unbundled loop service installation intervals should be *equivalent.* The FCC instead opined that unbundled loops must be offered in a manner that provides an efficient CLEC with a meaningful opportunity to compete.

Therefore, the key question to be addressed by the Commission in this proceeding is whether the U S WEST installation interval for the provision of unbundled loops to CLECs allows an efficient competitor a meaningful opportunity to compete. My testimony demonstrates that the unbundled loop installation intervals provided to CLECs do satisfy this criterion.

While it is not appropriate to expect unbundled loop and basic exchange service installation intervals to be the same, U S WEST has compared the installation intervals for basic exchange service and unbundled loops in Nebraska. Since the installation of an unbundled loop always requires the dispatch of a technician, it is only meaningful to

compare the installation interval for an unbundled loop with the "dispatched" basic exchange service interval. The data show that the average installation interval for unbundled loops in Nebraska compares favorably with the installation interval for basic exchange service when the dispatch of a technician is required. Although the installation of unbundled loops has no retail analogue, this data demonstrates that the unbundled loop installation interval is reasonable even when compared to basic exchange service.

U S WEST has established performance measures for unbundled loop provisioning and installation. The testimony of Mr. Williams describes these performance measures, and provides performance results. In addition, U S WEST has conducted an extensive manual analysis of all Nebraska unbundled loop orders provisioned in April and May, 1999. The manual analysis and the mechanized reporting system described by Mr. Williams provide consistent installation interval performance data, validating Mr. Williams' data.

Based on the information provided by Mr. Williams, and the manual analysis that I have described, it is clear that U S WEST is installing unbundled loops "within a reasonable timeframe" as required by the Commission. This provides CLECs with a meaningful opportunity to compete.

Unbundled Loop Maintenance Process

Exhibit RHB-3 contains a flowchart that delineates the tasks performed by U S WEST personnel in order to maintain unbundled loops.

While the provisioning of unbundled loops cannot be compared with the provisioning of basic exchange service, these services can be compared from a maintenance perspective. The FCC has ruled that in terms of repair and maintenance, non-designed POTS *is* the retail analogue to unbundled loops. As recognized by the Commission, in order to avoid discrimination, U S WEST should maintain unbundled loop service in a manner that is substantially the same as the manner in which it maintains retail basic exchange service for its own retail customers. For this reason, as described by Mr. Williams, the maintenance performance core indicators for unbundled loops are the same as the performance measures for basic exchange service.

Mr. Williams describes the unbundled loop maintenance core performance indicators in his testimony, and provides performance results. These data show that U S WEST provides substantially the same level of service to its CLEC unbundled loop customers as it does for its retail basic exchange service customers.

The U S WEST Proposal for Access to UNEs

In the Nebraska Section 271 Hearing in November 1998, U S WEST proposed that access to UNEs be provided via a Single Point of Termination (SPOT) Frame, where CLECs could access and combine unbundled network elements. In its April 9, 1999 Order, the Commission found that the U S WEST SPOT Frame proposal did not satisfy checklist item 4 because it did account for the rebundling requirements of reinstated FCC Rule 315(b). The Commission did not accept the U S WEST SPOT frame proposal specifically because it did not demonstrate that U S WEST *will be legally required* to provide pre-existing combinations of bundled elements, at such time that the unbundled elements per Section 251(c) are defined.

The U S WEST SGAT filed with this Commission on July 29, 1999 directly addresses the concerns offered by the Commission. Section 9.12 of the SGAT requires U S WEST to provide pre-existing combinations of UNEs, at such time that the FCC provides a legally binding list of UNEs that satisfies the "necessary" and "impair" standards of Section 251(d)(2). This should alleviate the Commission's concerns, and address its reasons for determining that the U S WEST SPOT Frame proposal does not satisfy checklist item 4.

D. Checklist Items 5 & 6 – Unbundled Transport and Switching

Commission Issues

At the present time, no CLEC has ordered unbundled transport or switching from U S WEST in Nebraska. As the Commission stated in its April 9, 1999 Order, "Where evidence of commercial use does not exist, the FCC has said the RBOCs can submit testing results as evidence of their ability to provide UNEs."[1]

The Commission determined that U S WEST had not satisfied the requirements of checklist items 5 and 6 because it did not include the results of such testing in its application. In response to the Commission's finding, my testimony presents the results of the 1999 Bench Test for the provision of the transport and switching UNEs. This test demonstrates that U S WEST stands ready to provide unbundled transport and switching to CLECs in a timely and nondiscriminatory manner. Thus, the Commission should find that U S WEST has satisfied the requirements of checklist items 5 and 6.

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1 Nebraska Order C-1830, April 9, 1999, page 29, ¶79.

Unbundled Transport and Switching Provisioning and Maintenance

U S WEST will provision unbundled transport and switching in Nebraska utilizing a defined order and provisioning flow as depicted in Exhibits RHB-5 and RHB-6. U S WEST will maintain unbundled transport and switching in Nebraska utilizing defined maintenance flows as depicted in Exhibits RHB-7 and RHB-8.

The "Bench Test" for Unbundled Transport and Switching

In May and June of 1999, U S WEST conducted a "Bench Test," which demonstrates that U S WEST can, upon CLEC request, provision and maintain unbundled transport and switching in a timely and nondiscriminatory manner. The results of this test reinforce the results of the "lab-controlled" bench test conducted in 1998, which was referenced by Karen Stewart during the November, 1998 hearing. A complete description of the "bench test" study methodology and the results of the test are contained in Exhibit RHB-9.

The 1999 Bench Test of Unbundled Elements tested the provision of:

- Unbundled Dedicated Interoffice Transport (UDIT).
- Unbundled Switching Message Trunk Port & Message Trunk Group and Members.
- Unbundled Analog Line Port
- Custom Routing
- Unbundled Customer Controlled Reconfiguration Element (UCCRE)

The Bench Test also tested the transmission of a "test call" over the unbundled elements that were provisioned.

The Bench Test tested was conducted in Phoenix, Arizona and Omaha, Nebraska. *Actual orders were placed and completed* for each unbundled element tested. These orders followed the order provisioning processes outlined in the provisioning flow diagrams contained in the exhibits to my testimony. An LSR and ASR were written and sent to the Service Delivery Coordinator and orders were then sent all the way through the provisioning process, using all of the appropriate Operational Support Systems (OSS). In Arizona, the physical connection was completed and for both states the billing was established. In the Nebraska test, all of the order provisioning steps were completed, but the actual elements were not physically installed (i.e., a jumper was not installed to complete the circuit). Thus, the entire process, from delivery of an ASR/LSR to billing the customer was tested.

The Bench Test included the transmission of "test calls" over the unbundled elements that were provisioned. The test calls generated local minutes of use which were captured by AMA equipment, allowing a summary bill to be created. After provisioning was completed, trouble reports were processed to test and validate U S WEST processes and procedures for the repair/maintenance of these services.

The 1999 bench test did identify some provisioning issues. In some cases, the initial test order "dropped out" due to an input error or a missing entry in a table.[2] As these errors were identified, the provisioning systems were corrected. *In all cases, after the error on the initial order was corrected, the initial and all subsequent orders were successfully processed through the U S WEST systems.* It is important to understand that in the Bench Test, errors were corrected in a manner that would prevent the same error happening in subsequent orders. The problems uncovered in the Bench Test were not significant in nature, and did not jeopardize any of the critical dates. In each case, despite the correction of problems, all critical interval dates were met, and the service was delivered on the due date. Thus, in each instance, U S WEST was able to provision each item on time.

The Bench Test clearly demonstrates that the processes are in place for U S WEST to successfully provision CLEC orders for unbundled transport and switching in a timely, accurate and non-discriminatory manner. The Bench Test demonstrates that U S WEST is able to install, repair/maintain and bill these elements. For each unbundled element, the provisioning processes worked successfully—from the pre-order transactions, through the submission of an ASR/LSR, the order handling steps and the physical installation of the element, and concluding with the rendering of a bill. The Bench Test proves that U S WEST can provision and install, within standard installation intervals, unbundled transport and switching when requested by a CLEC.

E. Conclusion

Based on the evidence provided in my testimony, and in the testimonies of Mr. Williams and Mr. Weidenbach, the Commission should reach a finding that U S WEST has met the requirements set forth in Section 271(c) of the Act for checklist items 4, 5 and 6. U S WEST has demonstrated that a CLEC can purchase unbundled loops, switching and transport from U S WEST today in a manner that provides the CLEC with a meaningful opportunity to compete in Nebraska.

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2 This is not an uncommon occurrence when testing the provision of a new service using new processes.

I. IDENTIFICATION OF WITNESS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH U S WEST COMMUNICATIONS.

A. My name is Robert H. Brigham. My business address is 1801 California Street, Denver, Colorado. I am employed as a Director- Service Costs in the U S WEST Communications (U S WEST) Markets/Regulatory Strategy organization.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. In 1983, I received a Master of Business Administration (MBA) degree from the University of Colorado in Denver, Colorado. My area of emphasis was financial analysis. I received a Bachelor of Arts degree in 1974 from Stetson University in Deland, Florida.

I began my employment with U S WEST (Mountain Bell) in 1976. Between 1976 and 1980 I held various positions in the Mountain Bell Commercial (marketing) department. In 1980, I accepted the position of Analyst in the Cost, Rates and Regulatory Matters department, working primarily on the development of embedded cost data. In June, 1987 I accepted the position of Manager in the Service Cost organization, with responsibility for economic analysis and the development of incremental costing methodologies. In September, 1992, I accepted the position of Director- Product Cost Specialist, responsible for developing and

supporting U S WEST cost studies in formal regulatory proceedings, and representing U S WEST in costing and pricing workshops sponsored by various regulatory commissions in the U S WEST region. Between May, 1994 and June, 1997 I served as Director- Product and Market Issues; managing competitive and local interconnection issues for U S WEST and supporting U S WEST's interconnection negotiation and arbitration efforts. In June, 1997 I rejoined the U S WEST cost organization as Director- Service Costs. In my current position, I am primarily responsible for managing cost issues, developing cost methods and representing U S WEST in proceedings before regulatory commissions.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THIS COMMISSION?

A. Yes. In 1998, I presented cost testimony in the Nebraska Cost Docket (Application C-1415) and in 1997 I presented cost testimony in the Cox Arbitration proceeding (Docket No. C-1473).

Q. HAVE YOU TESTIFIED BEFORE OTHER STATE REGULATORY COMMISSIONS?

A. Yes. I have presented cost testimony before Commissions in Arizona, Colorado, Montana, North Dakota, Oregon, Utah and Wyoming and have filed competitive and pricing policy testimony before Commissions in New Mexico, Oregon and Washington.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my supplemental direct testimony is to demonstrate that U S WEST has fulfilled the requirements set forth in Section 271(c)(2)(B) of the Telecommunications Act of 1996 ("The Act") with regards to checklist items 4 (local loop), 5 (transport) and 6 (switching). My testimony will show that a CLEC can purchase unbundled loops, switching and transport from U S WEST today in a manner that provides the CLEC with a meaningful opportunity to compete in Nebraska.

In its Order in Application C-1830, entered April 9, 1999, the Commission determined that U S WEST had "not demonstrated that it complies with (checklist) items 1, 2, 4, 5 and 6."[3] The Commission provided a description of the additional evidence that U S WEST would need to present in order to demonstrate that it has fully satisfied the Section 271 criteria in Nebraska. In this testimony, I will provide the additional evidence requested by the Commission, and will demonstrate that U S WEST is now in compliance with the requirements of checklist items 4, 5 and 6.[4]

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3 Nebraska Order C-1830, April 9, 1999, page 4.

4 My testimony will not address checklist items 1 and 2. Checklist item 1 will be addressed in the testimony of Mr. Michael Weidenbach and Mr. Michael Williams, and checklist item 2 will be addressed in a later filing before this Commission.

I urge the Commission to consider the evidence now provided by U S WEST, and to reach a finding that U S WEST has met the requirements set forth in Section 271(c) of the Act for checklist items 4, 5 and 6.

Q. HAS U S WEST FILED A STATEMENT OF GENERALLY AVAILABLE TERMS AND CONDITIONS (SGAT) WITH THE NEBRASKA COMMISSION?

A. Yes. On July 29, 1999, U S WEST filed an Statement Of Generally Available Terms And Conditions (SGAT) For Interconnection, Unbundled Network Elements, Ancillary Services And Resale Of Telecommunication Services pursuant to section 252(f) of the Act. The SGAT describes the terms and conditions for the provision of unbundled network elements, as offered to CLECs by U S WEST and conclusively establishes that U S WEST has a specific and concrete legal obligation to make the checklist items available upon request.

The FCC in its Order regarding Bell South's 271 petition in Louisiana states:

> The Commission has previously concluded that, to establish that it is "providing" a checklist item, a BOC must demonstrate that it has a concrete and specific legal obligation to furnish the item upon request pursuant to a state-approved interconnection agreement or agreements that set forth prices and other terms and conditions for each checklist item, and that it is currently furnishing, or is ready to furnish, the checklist item in the quantities that competitors may reasonably demand and at an acceptable level of quality.[5]

5 FCC Bellsouth Louisiana II Order, October 13, 1998. ¶54

Based on the FCC's ruling, the SGAT fulfills U S WEST's concrete and specific legal obligation to furnish unbundled loops, transport, and switching.

III. BACKGROUND

A. Unbundling Requirements of the Act

Q. WHAT ARE THE UNBUNDLING REQUIREMENTS OF THE ACT?

A. The Act outlines two sets of requirements as to how an incumbent Local Exchange Carrier (ILEC) such as U S WEST must unbundle its network. First, Section 251 of the Act delineates several requirements regarding how ILECs must provide access to Unbundled Network Elements (UNEs). Second, Section 271 outlines *separate and distinct* requirements regarding the network elements to which a Regional Bell Operating Company (RBOC) must provide access before it can obtain authority to provide in-region interLATA services.

1. Section 251 Requirements

Q. PLEASE SUMMARIZE THE UNBUNDLING REQUIREMENTS OUTLINED IN SECTION 251.

A. Section 251(c)(3) of the Act requires incumbent LECs to provide "nondiscriminatory access to network elements on an unbundled basis" in

accordance with "the requirements of this section and Section 252."[6] Section 251(d)(1) of the Act requires the FCC to establish regulations to determine which network elements must be provided on an unbundled basis. Section 251(d)(2) of the Act requires the FCC, when determining what network elements should be made available, to consider, at a minimum, whether "access to such network elements as are proprietary in nature is necessary," and whether "the failure to provide access to such network elements would impair the ability of the telecommunications carrier seeking access to provide the services that it seeks to offer."[7]

Q. IN RESPONSE TO THE ACT'S SECTION 251 REQUIREMENTS, DID THE FCC ADOPT A MINIMUM LIST OF UNBUNDLED NETWORK ELEMENTS?

A. Yes. The FCC's proposed minimum list of unbundled network elements was specified in 47 C.F.R. §51.319 ("Rule 319"). Rule 319 required the unbundling of the following UNEs:

(a) Local Loops
(b) Network Interface Device (NID)
(c) Local Switching, including
    (1) Vertical Features
    (2) Tandem Switching

6 Telecommunications Act of 1996, Section 251(c)(3).

7 Telecommunications Act of 1996, Section 251(d)(2).

(d) Interoffice Transmission Facilities (i.e., Transport), including

(1) Shared Transport

(e) Signaling Networks and Call Related Databases

(f) Operation Support Systems (OSS)

(g) Operator Services and Directory Assistance

Q. DID THE SUPREME COURT VACATE RULE 319?

A. Yes. On January 25, 1999, the Supreme Court of the United States issued a decision in *AT&T Corp. v. Iowa Utilities Bd.,* No. 97-826, slip op. (U.S. Jan. 25, 1999), which vacated the FCC Rule 319. My understanding of the Supreme Court's rationale is that the FCC did not adequately consider the "necessary and impair" standards established in Section 251(d)(2) of the Act prior to identifying what network elements incumbent LECs must provide to CLECs on an unbundled basis. Based on the Supreme Court's decision, the FCC must review and reevaluate its required list of unbundled network elements, as contained in Rule 319.

Q. DID THE SUPREME COURT ALSO ADDRESS FCC RULE 51.315(b)?

A. Yes. The Supreme Court upheld rule 51.315(b), which requires that incumbent LECs provide CLECs with pre-existing combinations of unbundled network elements. However, other portions of the FCC Rule 315 remain vacated, including the rules that require LECs to combine previously uncombined network elements on behalf of CLECs. As a result of this rule, depending on which elements are deemed to satisfy the 251(c)(3) standard, U S WEST may be required to provide a limited set of *preexisting* unbundled network element combinations to CLECs.

Q. WHAT ARE THE PRACTICAL RAMIFICATIONS OF THE SUPREME COURT'S ORDER?

A. At the present time, Rule 315(b) cannot be effectuated, since there are currently no unbundled network elements subject to that rule. This will remain the case until the FCC establishes a list of unbundled network elements pursuant to the Supreme Court's interpretation of the "necessary and impair" standard. The Supreme Court specifically recognized the interrelationship between Rule 315(b) and the list of unbundled network elements in its vacation of the FCC's list of UNEs contained in Rule 319. In its review of Rule 315(b), the Court addressed incumbent LEC concerns that such a rule would result in price arbitrage of resale through UNE-based rates. The Court stated: "As was the case for the all-element rule, our remand of Rule 319 may render the incumbents' concern on this score academic."[8] In sum, Rule 315(b) cannot be implemented until the FCC determines a list of unbundled network elements to replace the list contained in the vacated Rule 319.

Q. DID THE NEBRASKA COMMISSION'S APRIL 9, 1999 SECTION 271 ORDER RECOGNIZE THAT IT WAS PREMATURE TO IMPLEMENT RULE 315(b)?

A. Yes. In this Order, the Commission stated that "Until the FCC issues a replacement for Rule 319, neither U S WEST, nor this Commission, will know exactly what standard U S WEST will be required to meet."[9]

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8 *AT&T v. Iowa Utilities Board*, 119 S.Ct. 721 (1999).

9 Nebraska Order C-1830, April 9, 1999, page 3.

2. Section 271 Requirements

Q. PLEASE SUMMARIZE THE "CHECKLIST" REQUIREMENTS OUTLINED IN SECTION 271(c) OF THE ACT.

A. Section 271(c) of the Act establishes specific requirements that must be met by a Bell Operating Company in order to enter the market for interLATA services. *These requirements are separate and distinct from the unbundling requirements outlined in Section 251 of the Act.* Section 271(c)(2)(B) contains a 14 point checklist, which outlines the interconnection services and unbundled elements that U S WEST must provide to CLECs. Specifically, the checklist includes the following unbundling requirements:

Checklist Item 2 Access to unbundled network elements
Checklist Item 4 Local loop transmission unbundled from switching
Checklist Item 5 Local transport unbundled from switching
Checklist Item 6 Local switching unbundled from transport and local loop transmission
Checklist Item 7 Directory Assistance and Operator Services
Checklist Item 10 Databases and Signaling

As I noted earlier, my testimony will address only checklist items 4, 5 and 6.

B. The Commission's April 9, 1999 Order in this Proceeding

Q. PLEASE SUMMARIZE THE FINDINGS OF THE COMMISSION IN ITS APRIL 9, 1999 ORDER IN APPLICATION C-1830.

A. On April 9, 1999, the Commission entered an Order in Application C-1830.[10] The Commission determined that U S WEST complies with Section 271(c) checklist items 3, 7, 8, 9, 10, 11, 12 and 14. The Commission determined that U S WEST has not demonstrated compliance with Section 271(c) checklist items 1, 2, 4, 5 and 6. Checklist item 13 is still under consideration.[11]

In determining that U S WEST had not demonstrated compliance with 271 checklist items 4, 5 and 6, the Commission delineated several specific concerns. In Sections IV and V of my testimony, I will directly address the specific concerns of the Commission, and demonstrate that U S WEST is now able to provide unbundled loops, switching and transport in compliance with Section 271 of the Act.

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10 In the Matter of U S WEST Communications, Inc., Denver, Colorado, filing notice of intention to file Section 271(c) application with the FCC and request for Commission to verify U S WEST compliance with Section 271(c).

11 Nebraska Order C-1830, April 9, 1999, page 4.

IV. CHECKLIST ITEM 4 - UNBUNDLED LOOPS

A. Commission Issues

Q. PLEASE SUMMARIZE WHY THE COMMISSION DETERMINED, IN ORDER C-1830, THAT U S WEST HAD NOT YET DEMONSTRATED THAT IT SATISFIED CHECKLIST ITEM 4 (UNBUNDLED LOOPS).

A. Checklist Item 4, requires that U S WEST provide access to "local loop transmission from the central office to the customer's premises, unbundled from local switching or other services."[12] The Commission stated that U S WEST must "provide performance measurements that compare the service it provides itself for loops with the quality of loop service it provides to competitors," and that U S WEST had "failed to do so." The Commission concluded that U S WEST "failed to demonstrate that it provides unbundled loops to CLECs within a reasonable time frame and with a minimum level of service disruption."[13] Thus, the Commission essentially determined that U S WEST had not met the requirements of this checklist item because it had not demonstrated that it was providing unbundled loops to CLECs in a timely fashion.

The Commission also stated that U S WEST's "SPOT Frame" proposal did not satisfy the requirements of checklist items 2 and 4. The U S WEST SPOT Frame

12 Telecommunications Act of 1996, Section 271(c)(2)(B)(iv).

13 Order, page 27 ¶71.

proposal provided access to unbundled network elements at a SPOT Frame, and allowed a CLEC to rebundle elements for its own use. Essentially, the Commission determined that this proposal was inadequate, because it did not account for the provision by U S WEST of *already combined* elements in accordance with Rule 51.315(b), as reinstated by the United States Supreme Court.[14]

In this section of my testimony, I will provide clear evidence that U S WEST *is currently* providing unbundled loops to CLECs in Nebraska in a timely, nondiscriminatory manner. I will also review language in the U S WEST SGAT which demonstrates that U S WEST *is obligated* to provide pre-existing combinations of unbundled elements as required by Rule 51.315(b). Finally, I will briefly describe U S WEST's latest proposal for providing CLEC with access to UNEs—a proposal that addresses the Commission's concerns.

Q. HAVE ANY CLECS SUPPORTED U S WEST'S CONTENTION THAT IT IS IN COMPLIANCE WITH CHECKLIST ITEM 4?

A. Yes. In his direct testimony filed on August 13, 1998, Aliant witness Brad Hedrick, stated that, with the exception of price concerns that are before the Commission in Application No. C-1415, "Aliant would support U S WEST's contention that it is in compliance with this (Checklist item 4) section."[15]

14 Order, page21 ¶54 and page 27 ¶72.

15 Direct testimony of Brad Hedrick, filed on August 13, 1998, page 5.

B. U S WEST is Currently Providing Unbundled Loops in Nebraska

Q. IS U S WEST CURRENTLY PROVIDING UNBUNDLED LOOPS TO CLECS IN NEBRASKA?

A. Yes. U S WEST is currently providing unbundled loops in Nebraska. In fact, in Nebraska, U S WEST began providing unbundled loops to competitors in 1998, and now has over 1,300 unbundled loops in service. The unbundled loop quantities from December, 1998 to June, 1999 are as follows:

Month	Loops in Service
December, 1998	476
January, 1999	544
February, 1999	635
March, 1999	930
April, 1999	1,129
May, 1999	1,215
June, 1999	1,361

These numbers alone constitute powerful evidence that U S WEST is providing CLECs with nondiscriminatory access to unbundled loops in Nebraska today.

Q. WHAT TYPE OF UNBUNDLED LOOP REQUESTS HAVE BEEN PROCESSED BY U S WEST IN NEBRASKA?

A. U S WEST has processed orders for unbundled loops that involve (1) switching an existing U S WEST customer to a CLEC, and (2) establishing new unbundled loop service for a CLEC.[16] An analysis of the May loop orders indicates that:

- Approximately one-half of the orders involved an existing customer, and one-half involved establishing new unbundled loop service.
- In each instance when an existing customer changed its service to a CLEC, the CLEC requested "coordinated installation."[17]
- 96% of the orders for existing customers requested number portability, while 5% of new unbundled loop service orders requested number portability.

Because of the increasing order quantity and the variety of orders, U S WEST has gained a great deal of experience in providing unbundled loop service in Nebraska since the November hearings. In addition, I am not aware of any complaints filed by CLECs regarding U S WEST's *provisioning* of loops in Nebraska.[18]

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16 When U S WEST provides an unbundled loop to an *existing* customer, the customer is switching from U S WEST to CLEC service at the same premises, using the same loop. When U S WEST provides "new" service, it is providing an unbundled loop for a customer that does not currently receive service from U S WEST at the premises.

17 A "coordinated installation" allows for a "meet time" when the customer is transferred from US WEST retail service to CLEC-provided service. This provides U S WEST and the CLEC with a means to minimize the disruption of a customer's service.

18 U S WEST has agreed to provide unbundled loops to a Multi Dwelling Unit (MDU) as stated by COX in its response to U S WEST's second set of data requests, Request NO. 1. In response to Request NO. 7, Cox stated that there were no problems, difficulties, or issues with the processes, procedures, or time frames in which U S WEST makes items under Checklist Item 4 available.

Q. HAS U S WEST BEEN COLLECTING DETAILED INFORMATION CONCERNING UNBUNDLED LOOP ORDERS?

A. Yes. As a result of the concerns raised by the Nebraska Commission, U S WEST has performed a detailed analysis of all unbundled loop orders received in Nebraska during April and May, 1999. All unbundled loop orders were manually tracked in order to:

- Determine if the orders were written correctly;
- Verify the quantity of the services being purchased; and
- Assess the installation intervals for completed orders.

I will discuss the findings of this analysis throughout the following sections of my testimony.

C. The Unbundled Loop Provisioning Process

Q. HOW DOES U S WEST PROVISION UNBUNDLED LOOPS?

A. U S WEST provisions unbundled loops in Nebraska utilizing a "design" order and provisioning flow.[19] Exhibit RHB-1 contains a flowchart that delineates the tasks performed by U S WEST personnel in order to install an unbundled loop. This exhibit also includes a matrix that describes each of the work tasks identified in the

19 I will define a "designed" order flow below.

flow chart. U S WEST follows these steps each time an unbundled loop is ordered in Nebraska.

Q. PLEASE BRIEFLY SUMMARIZE THE ORDER PROVISIONING PROCESS.

A. First, a CLEC requests an unbundled loop by submitting a Local Service Request (LSR) via Interconnection Mediated Access (IMA), Electronic Data Interchange (EDI) or facsimile (fax). The CLEC order is processed and entered into the U S WEST Service Order Processor (SOP) by the U S WEST Service Delivery Coordinator (SDC), who then issues a Firm Order Commitment (FOC) to the CLEC. From this point, the order is processed using the same systems and personnel that process orders for U S WEST's designed services, such as private line service. In *all* cases, when U S WEST provisions an unbundled loop, a technician must be dispatched to run jumpers connecting the unbundled loop to the CLEC's facilities.

Q. HAS U S WEST REVIEWED AND EVALUATED THE LOOP PROVISIONING PROCESS?

A. Yes. As U S WEST has provisioned unbundled loops over the past months, it has evaluated the loop provisioning process. The manual analysis of all April and May loop orders mentioned above indicated that overall, the process is working smoothly. However, based on this analysis, U S WEST has made some improvements in the order provisioning process. For example, as described in the testimony of Mr. Williams, U S WEST determined that the quality of unbundled

loop order tracking data needed to be improved, which resuled in retraining sessions for U S WEST personnel.

1. Retail vs. Unbundled Loop Provisioning Processes

Q. FROM A PROVISIONING STANDPOINT, IS THERE A RETAIL SERVICE THAT IS EQUIVALENT TO AN UNBUNDLED LOOP?

A. No. The FCC acknowledged this point in its Order regarding Bell South's 271 petition in Louisiana. The FCC stated:

> Because the provisioning of unbundled local loops has no retail analogue, [the BOC] must demonstrate that it provides unbundled loops in a manner that offers an efficient carrier a meaningful opportunity to compete.[20]

In its April 9, 1999 Order in this proceeding, the Nebraska Commission also recognized that there is no retail equivalent to an unbundled loop.[21]

It is clear that there is no retail service analogue to an unbundled loop—U S WEST does not provide unbundled loops to its retail customers or to itself. U S WEST retail services such as basic exchange service do *include* a loop, but in this case the loop is provided as part of an entire service that includes several other components. When U S WEST provides basic exchange service, the loop is not "unbundled" from the other components of the service.

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20 FCC Bellsouth Louisiana II Order, October 13, 1998, ¶ 198.

21 Nebraska Order C-1830, April 9, 1999, page 27, ¶71.

Q. IS THE PROVISIONING FLOW FOR UNBUNDLED LOOPS THE SAME AS THE PROVISIONING FLOW FOR U S WEST'S RETAIL SERVICES, SUCH AS BASIC EXCHANGE SERVICE?

A. No. The work activities and systems processes required to provision an unbundled loop are different than those required to "turn up" basic exchange service. First, an unbundled loop must be provisioned using a "designed" service process, rather than a so-called "POTS" flow. Second, in contrast to basic exchange service, when an unbundled loop is provisioned, a central office technician must always run a jumper to connect the unbundled loop to the CLEC.

Q. PLEASE EXPLAIN WHAT YOU MEAN BY THE TERMS "POTS" AND "DESIGNED" SERVICE.

A. Plain Old Telephone Service, or "POTS," refers to the more basic telecommunications products and services—such as basic exchange service. POTS services are typically pre-engineered, with standard designs and components, and are identified with a telephone number. POTS services are supported with operational support systems that configure the line based on an end-to-end service requested by end users.

A "designed" service generally requires customized designs or individual configuration reviews. In addition, a designed service has special quality and performance expectations, and unique test characteristics. Designed services may

be associated with a telephone number or circuit ID, and are not supported with POTS operational support systems.

Q. PLEASE EXPLAIN WHY AN UNBUNDLED LOOP ORDER MUST BE PROCESSED USING A "DESIGN" ORDER PROCESSING FLOW.

A. When provisioning an unbundled loop, a design flow is necessary for several reasons. First, since an unbundled loop is a dedicated facility that is not associated with a telephone number, it can only be provisioned using a design flow. Second, it is essential that an unbundled loop service order be properly routed to the systems that contain inventory information about loops, and that the order be handled by employees with the specialized training and experience. This only occurs with the design services flow. Third, the unbundled loop inventory that connects the local loop to a meet point with the CLEC resides in a designed services database. Fourth, only the designed services flow allows U S WEST to provide data regarding the design of the service to a CLEC. This is important because an unbundled loop can be configured in different ways depending on the manner in which a CLEC chooses to interconnect with U S WEST.

Finally, coordinated installation (cutovers) and testing are only accommodated with the design service provisioning flow. When a CLEC requests a coordinated installation, U S WEST must perform testing to ensure connectivity between a CLEC's collocated equipment and its Point of Interface (POI). In addition, a design flow must be used in order for U S WEST to ensure that a customer is only out of service for a short period of time as the coordinated cutover is completed.

In sum, the design services flow must be used to provision unbundled loops.

Q. YOU MENTIONED THAT, IN CONTRAST TO BASIC EXCHANGE SERVICE, THE PROVISIONING OF AN UNBUNDLED LOOP ALWAYS REQUIRES A TECHNICIAN TO "RUN A JUMPER." PLEASE EXPAND ON THIS POINT.

A. When a U S WEST customer orders basic exchange service in a location where service has been provided before, it is often not necessary to send an "inside" (central office) or "outside" (loop facilities) technician to the field. In many cases a path between the customer and the central office switch is already in place, and the service can simply be "turned on." Conversely, when an unbundled loop is provisioned to a CLEC, "inside" technician work is *always* required. In all cases, a jumper must be run in the central office to connect the unbundled loop to the CLEC.

Q. HAVE YOU PREPARED AN EXHIBIT THAT COMPARES THE "POTS" PROVISIONING FLOW FOR RETAIL BASIC EXCHANGE SERVICE WITH THE "DESIGN" FLOW FOR UNBUNDLED LOOPS?

A. Yes. Exhibit RHB-2 provides a comparison of the "POTS" provisioning flow for retail basic exchange service and the "design" flow for unbundled loops. This exhibit shows that the work activities that must be completed to provision the services are significantly different—resulting in different service installation intervals. In all cases, the provisioning of an unbundled loop requires the

completion of work activities that are not required in order to provision basic exchange service.

Q. IS IT REASONABLE TO EXPECT THE SAME STANDARD INSTALLATION INTERVAL FOR UNBUNDLED LOOPS AND BASIC EXCHANGE SERVICES?

A. No. As I will describe below, the Commission should not expect the standard installation interval to be the same for unbundled loops and basic exchange services. These are different services that are necessarily provisioned in a different manner.

2. Standard Service Provisioning Intervals

Q. WHAT IS THE STANDARD SERVICE INSTALLATION INTERVAL FOR THE PROVISION OF UNBUNDLED LOOPS?

A. U S WEST unbundled loop provisioning intervals (as described Sections 9.2.4.5 and 9.2.4.6 of the SGAT) are dependent on the location of the customer, and the quantity of unbundled loops ordered. In Omaha, a high density area, the standard service provisioning interval is 5 days. All other cities in Nebraska are classified as low density areas, and the standard service provisioning interval is 6 days. The standard service interval for unbundled loops mirrors the interval that U S WEST offers to its retail customers that purchase design services. If a CLEC orders more than nine loops at one time, the standard interval is longer, consistent with how U S WEST provisions service to its own retail customers. Thus, if U S WEST

meets its installation interval objective as defined in the SGAT, the average service installation interval for all orders would be more than 5 days.

Q. IS IT APPROPRIATE TO EXPECT THE SERVICE INSTALLATION INTERVALS FOR UNBUNDLED LOOPS AND BASIC EXCHANGE SERVICES TO BE THE SAME?

A. No. While the service installation intervals can be compared, there should be no expectation that the intervals should be the same. As I have discussed, the services are *not* the same, and must be provisioned differently. It should be expected that installation intervals for separate and distinct services, requiring different provisioning processes, would be different. The FCC acknowledged this point in the aforementioned Bell South 271 Order in Louisiana. In that order, the FCC *did not* establish that basic exchange and unbundled loop service installation intervals should be *equivalent*—the FCC instead opined that unbundled loops have no retail analogue and must be provided in a manner that allows for a meaningful opportunity to compete.

Therefore, the key question to be addressed by the Commission in this proceeding is whether the U S WEST installation interval for the provision of unbundled loops to CLECs allows an efficient competitor a meaningful opportunity to compete. Given the significant increase in the quantity of unbundled loops provided in Nebraska over a seven month period, there is evidence that U S WEST *is* provisioning unbundled loops in a manner that provides CLECs with a meaningful opportunity to compete.